

**ORIGINAL**

OPEN MEETING AGENDA ITEM



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**Comments of SOLID Energy on Tucson Electric Power's Renewable Energy Standard**

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**and Tariff Implementation Plan**

**Docket No. E-01933A-07-0594**

AZ CORP COMMISSION  
DOCKET CONTROL

Introduction

S.O.L.I.D. USA, Inc., dba SOLID Energy ("SOLID") submits the following comments on the draft Tucson Electric Power Company's ("TEP") proposed REST Implementation Plan for 2008 and on the Staff Report regarding the same. SOLID is an Arizona-based company which has been active in these proceedings since the outset. SOLID appreciates the work by the Commission, Staff, and TEP in this effort. SOLID restricts its comments to the distributed energy portion of the Plan.

The Commission should Reject the Requested Change  
to the REST Rule Regarding Solar Cooling

TEP indicates "[I]t is important to note that in its UCPP proposal, TEP proposes a change to the language in A.A.C. R14-2-1803(B) to assure efficiency of thermally driven cooling systems, as presented during the REST comment period." TEP, with its proposal, is attempting to compare the efficiency of solar cooling chillers to fossil-fueled chillers; however, no efficiency comparisons have been interjected in the REST for other solar technologies. The current REST language in the REST and the UCPP Working Group proposal, and that being utilized by APS, is critical to move solar cooling forward in Arizona.

SOLID supports the Staff report. Most notably, in paragraphs 28 and 29, Staff recommends that TEP be denied its request to modify REST Rule 14-2-1803.B. As noted by Staff, TEP's proposed change would modify the REST in a way the Commission specifically rejected during REST rulemaking.

Arizona Corporation Commission

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A Uniform Credit Purchase Program ("UCPP") should be Adopted for 2009 and Thereafter

SOLID agrees with Staff on page 6 that "if the Commission approves a UCPP, TEP should be required to develop a mechanism to incorporate UCPP procedures and incentive levels for all eligible technologies in its proposed REST Plan for 2009 and later years." SOLID will go one step further and strongly recommend that the Commission adopt the UCPP Working Group proposal when finalized. It has been the expectation of the Working Group and based on the current REST language that a UCPP would be adopted. Even in the absence of such an order, APS has already voluntarily adopted most of the Working Group's draft recommendations. There is no reason TEP cannot do the same for its 2009 Plan.

2008 Distributed Energy Proposal

There are numerous issues in the proposed 2008 Implementation Plan that vary from the UCPP Working Group proposal. Given the delay in Plan approval, SOLID will not object to 2008 procedures; however, SOLID withholds the right to object to similar proposals in the future after conclusion of the Working Group activities.

A Green Credit Purchase Agreement for Distributed Energy should be Similar to APS's

Finally, TEP will have to develop an agreement whereby it purchases green credits from distributed installations. SOLID requests, that for 2009 and thereafter, the Commission order TEP to adopt a UCPP green credit purchase agreement 'substantially similar' to that being utilized by APS. Industry has spent countless hours on this agreement. In the alternative, SOLID requests that the APS agreement be used as the 'straw man' for a pro forma agreement to be developed by the Working Group with a recommendation that the Working Group proposal later be adopted under a UCPP.

Conclusion

SOLID looks forward to continued development of the UCPP and continued work with this Commission, Staff, and TEP to further move renewable energy forward in Arizona.

Very truly yours,

A handwritten signature in black ink, appearing to read 'L. Glover', with a stylized flourish at the end.

Lori A. Glover

co-CEO

SOLID Energy

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